

February 12, 2019 Council Meeting

The regular meeting of the Council of the City of Martinsville, Virginia was held on February 12, 2019 in Council Chambers, Municipal Building, at 7:30 PM with Mayor Kathy Lawson presiding. Other Council Members present included Jennifer Bowles, Chad Martin, Jim Woods and Danny Turner. Staff present included City Manager Leon Towarnicki, City Attorney Eric Monday, Assistant City Manager Wayne Knox, Clerk of Council Karen Roberts, Finance Director Linda Conover, Police Chief Eddie Cassady, Deputy Police Chief Rob Fincher, Fire Chief Ted Anderson, Deputy Fire Chief Kris Schrader, and Commissioner of Revenue Ruth Easley.

Mayor Lawson called the meeting to order. Following the Pledge to the American Flag and invocation by Mayor Lawson, Lawson welcomed everyone to the meeting.

Consider approval of the minutes from the January 22, 2019 Council Meeting -
Council Member Bowles made a motion to approve the minutes as presented. Council Member Turner seconded the motion with everyone voting in favor.

Consider presentation of a proclamation honoring Jewel Hagwood – Council Member Bowles read the proclamation which was presented to the Hagwood family. Mrs. Hagwood thanked Council and said Mr. Hagwood loved his job with the Police Department.



Proclamation

HONORING JEWEL HAGWOOD

WHEREAS, in September, 1963, Jewel Hagwood was hired as the City's first African-American police officer; and

WHEREAS, much of his life and career were dedicated to service – in the military, the Martinsville Police Department, the City Sheriff's Department, and service through the church he attended, Grace Presbyterian; and

WHEREAS, Jewel Hagwood was well-known and respected throughout the entire community and left a lasting impact on many people he came in contact with; and

WHEREAS, sadly, Jewel Hagwood passed away on March 11, 2018, at the age of 84; and

WHEREAS, during the month of February, 2019, being celebrated as Black History Month, it is right and proper to pause, reflect, and honor African Americans who have made a significant impact to the well-being of our community;

NOW, THEREFORE, on this 12th day of February, 2019, Martinsville City Council hereby recognizes and honors the late Jewel Hagwood for the contributions he made to our community, for his tireless and dedicated service to others, and for helping make our community a much better place for all. We extend our well-wishes and a sincere thank you to the entire Hagwood family.

Kathy Lawson, Mayor

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Conduct a public hearing for the purpose of receiving input regarding a planned Community Development Block Grant application for the Pine Hall Road area in Martinsville – Wayne Knox of the Community Development Department asked that the public hearing be postponed until the February 26 Council meeting since the required advertisement for the public hearing was not completed.

Consider adoption of two Uniform Guidance Policies regarding new GASB requirements related to federal award management and procurement – Finance Director Linda Conover shared details on two new policies that will regulate the way the City handles federal funding. These policies are nationwide and simple “housekeeping” policies. Council Member Bowles made a motion to approve both of the Uniform Guidance Policies. Vice Mayor Martin seconded the motion with the all Council Members voting in favor.

City of Martinsville
Uniform Guidance - Conflict of Interest Policy

Conflicts of Interest

This policy shall affirm standards of conduct established to ensure that City of Martinsville Council members and employees avoid potential and actual conflicts of interest, as well as the perception of a conflict of interest.

Confidential information shall mean information not obtainable from reviewing a public document or from making inquiry to a publicly available source of information.

Conflict or Conflict of interest shall mean use by a City Council member or employee of the authority of his/her office or employment, or any confidential information received through his/her holding public office or employment, for the private financial benefit of him/herself, a member of his/her immediate family or a business with which s/he or a member of his/her immediate family is associated. The term does not include an action having a de minimis economic impact, or which affects to the same degree a class consisting of the general public or a subclass consisting of an industry, occupation or other group which includes the Board member or employee, a member of his/her immediate family or a business with which he/she or a member of his/her immediate family is associated.

Apparent Conflict of Interest shall mean a situation in which a reasonable person would perceive that a decision-maker's (council member or employee) judgment is likely to be compromised.

De minimis economic impact shall mean an economic consequence which has an insignificant effect.

Financial interest shall mean any financial interest in a legal entity engaged in business for profit which comprises more than five percent (5%) of the equity of the business or more than five percent (5%) of the assets of the economic interest in indebtedness.

Honorarium shall mean payment made in recognition of published works, appearances, speeches and presentations, and which is not intended as consideration for the value of such services which are nonpublic occupational or professional in nature. The term does not include tokens presented or provided which are of de minimis economic impact.

Immediate family shall mean a parent, parent-in-law, spouse, child, spouse of a child, brother, brother-in-law, sister, sister-in-law, or the domestic partner of a parent, child, brother or sister.

Business partner shall mean a person who, along with another person, plays a significant role in owning, managing, or creating a company in which both individuals have a financial interest in the company.

City of Martinsville
Uniform Guidance - Conflict of Interest Policy

Each employee and City Council member shall be responsible to maintain standards of conduct that avoid conflicts of interest. The Council prohibits members of the Council and employees from engaging in conduct that constitutes a conflict of interest as outlined in this policy.

All Council members and employees shall be provided with a copy of this policy and acknowledge in writing that they have been made aware of it. Additional training shall be provided to designated individuals.

Disclosure of Financial Interests

No Board member shall be allowed to take the oath of office or enter or continue upon his/her duties, nor shall he/she receive compensation from public funds, unless he/she has filed a statement of financial interests as required by law.

Standards of Conduct

The City of Martinsville maintains the following standards of conduct covering conflicts of interest and governing the actions of its employees and Board members engaged in the selection, award and administration of contracts.

No employee or Board member may participate in the selection, award or administration of a contract supported by a federal award if s/he has a real or apparent conflict of interest as defined above, as well as any other circumstance in which the employee, Board member, any member of his/her immediate family, his/her business partner, or an organization which employs or is about to employ any of them, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

The City of Martinsville shall not enter into any contract with a Board member or employee, or his/her spouse or child, or any business in which the person or his/her spouse or child is associated valued at \$500 or more, nor in which the person or spouse or child or business with which associated is a subcontractor unless the Board has determined it is in the best interests of the City to do so, and the contract has been awarded through an open and public process, including prior public notice and subsequent public disclosure of all proposals considered and contracts awarded. In such a case, the Board member or employee shall not have any supervisory or overall responsibility for the implementation or administration of the contract.

When advertised formal bidding is not required or used, an open and public process shall include at a minimum:

1. Public notice of the intent to contract for goods or services;
2. A reasonable amount of time for potential contractors to consider whether to offer quotes; and
3. Post-award public disclosure of who made bids or quotes and who was chosen.

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Any Board member or employee who in the discharge of his/her official duties would be required to vote on a matter that would result in a conflict of interest shall abstain from voting and, prior to the vote being taken, publicly announce and disclose the nature of his/her interest as a public record.

No public official or public employee shall accept an honorarium.

Board members and employees may neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontracts, unless the gift is an unsolicited item of nominal value. Gifts of a nominal value may be accepted in accordance with Board policy.

Improper Influence

No person shall offer or give to a Board member, employee or nominee or candidate for the Board, or a member of his/her immediate family or a business with which s/he is associated, anything of monetary value, including a gift, loan, political contribution, reward or promise of future employment based on the offeror's or donor's understanding that the vote, official action or judgment of the Board member, employee or nominee or candidate for the Board would be influenced thereby.

No Board member, employee or nominee or candidate for the Board shall solicit or accept anything of monetary value, including a gift, loan, political contribution, reward or promise of future employment, based on any understanding of that Board member, employee or nominee or candidate that the vote, official action or judgment of the Board member, employee or nominee or candidate for the Board would be influenced thereby.

Organizational Conflicts

Organizational conflicts of interest may exist when due to the City of Martinsville's relationship with a subsidiary, affiliated or parent organization that is a candidate for award of a contract in connection with federally funded activities, the City may be unable or appear to be unable to be impartial in conducting a procurement action involving a related organization.

In the event of a potential organizational conflict, the potential conflict shall be reviewed by the City Manager or designee to determine whether it is likely that the City would be unable or appear to be unable to be impartial in making the award. If such likelihood exists, this shall not disqualify the related organization; however, the following measures shall be applied:

1. The organizational relationship shall be disclosed as part of any notices to potential contractors;
2. Any City of Martinsville employees or officials directly involved in the activities of the related organization are excluded from the selection and award process;
3. A competitive bid, quote or other basis of valuation is considered; and
4. The Board has determined that contracting with the related organization is in the best interests of the program involved.

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Reporting

Any perceived conflict of interest that is detected or suspected by any employee or third party shall be reported to the Finance Director or City Manager. If the Finance Director or City Manager is the subject of the perceived conflict of interest, the employee or third party shall report the incident to the Mayor.

Any perceived conflict of interest of a City Council member that is detected or suspected by any employee or third party shall be reported to the Mayor. If the Mayor is the subject of the perceived conflict of interest, the employee or third party shall report the incident to the Finance Director or City Manager, who shall report the incident to the City Attorney.

No reprisals or retaliation shall occur as a result of good faith reports of conflicts of interest.

Investigation

Investigations based on reports of perceived violations of this policy shall comply with state and federal laws and regulations. No person sharing in the potential conflict of interest being investigated shall be involved in conducting the investigation or reviewing its results.

In the event an investigation determines that a violation of this policy has occurred, the violation shall be reported to the federal awarding agency in accordance with that agency's policies.

Disciplinary Actions

If an investigation results in a finding that the complaint is factual and constitutes a violation of this policy, the City shall take prompt, corrective action to ensure that such conduct ceases and will not recur. City staff shall document the corrective action taken and, when not prohibited by law, inform the complainant.

Violations of this policy may result in disciplinary action up to and including discharge, fines and possible imprisonment. Disciplinary actions shall be consistent with Board policies, procedures, applicable collective bargaining agreements and state and federal laws.

Policy effective date: _____.

Approved by City Council at their meeting on _____.

**Uniform Guidance Policy for
Federal Awards Administration**

GRANT ADMINISTRATION

The City of Martinsville does not have a centralized grants department, therefore it is the responsibility of each department obtaining a grant to care for and be familiar with all grant documents and requirements. If a grant is Federal, the department should immediately notify the Finance Director for inclusion in the City's Single Audit. For the purpose of this policy "Program Director" applies to the individual within a given department who will be responsible for the grant.

Grant Development, Application, and Approval -

Legislative Approval - The point at which legislative approval is required is determined by the requirements of the grant program. If the grant must be submitted by "an individual authorized by the legislative body", then Council approval is required prior to submitting the application. If such legislative approval is not specifically required by the written terms of the grant, then the department head may, at his or her discretion, approve grant applications. In this case, a copy of the application shall be sent to the City Manager's office. If an award is given, a copy of the agreement shall also be furnished to the City Manager's office. Electronic copies are preferable.

Matching Funds - Grants that require cash local matches must be coordinated through the City Manager's office. At a minimum, funds must be identified within the existing budget to provide the match, or a budget adjustment will be required. Depending on the nature of the grant, there may also be some policy implications that will bear discussion. (For example, will the grant establish a level of service that cannot be sustained once the grant funds are depleted?)

Grant Budgets - Most grants require the submission of an expenditure budget. The department head should review this portion of the grant request prior to submission. The Finance Director will need to be contacted regarding personnel projections.

Grant Program Implementation -

Notification and Acceptance of an Award - Official notification of a grant award is typically sent by a funding agency to the program director and/or other official designated in the original grant proposal. However, the authorization to actually spend grant funds is derived from the Council through the approval of a grant budget. This is done with the adoption of the Government-wide operating budget, as the grant budget is a component of such.

Establishment of Accounts - The department that obtained the grant will provide the Finance Department with information needed to establish revenue and expense accounts for the project. Ordinarily, this information will include a copy of a summary of the project and a copy of the full project budget.

Purchasing Guidelines - All other City of Martinsville purchasing and procurement guidelines apply to the expenditure of grant funds. The use of grant funds does not exempt any purchase from normal purchasing requirements. All typical paperwork, staff approvals, and bidding requirements apply. When in doubt, the Program Director should contact the Purchasing office for further assistance.

Financial and Budgetary Compliance -

Monitoring Grant Funds - Departments may use some internal mechanism (such as a spreadsheet) to monitor grant revenues, expenditures and budgetary compliance, however all such financial

information will also be maintained in the City of Martinsville's financial software at some level. The financial software is considered to be the City's "official" accounting system. Ultimately, the information in this system is what will be audited and used to report to governing boards, not information obtained from offline spreadsheets. Program Directors are strongly encouraged to use inquiries and reports generated directly from the finance software to aid in grant tracking. If any "off-system" accounting records are maintained, it is the responsibility of the Program Director to ensure that the program's internal records agree to the City's accounting system.

Fiscal Years - Occasionally, the fiscal year for the granting agency will not coincide with the City's fiscal year. This may require adjustments to the internal budget accounts and interim financial reports as well as special handling during fiscal year-end close. It is the responsibility of the department head to oversee grant budgets within his/her department and to bring such discrepancies to the attention of the Finance Director at the time the grant accounts are established.

Grant Budgets - When the accounting structure for a grant is designed, it will include the budget that was prepared when the grant application was submitted. The terms of each specific grant will dictate whether any budget transfers between budgeted line items will be permitted. In no case will the Program Director be authorized to exceed the total budget authority provided by the grant. If grant funds have not been totally expended by fiscal year-end, it is the responsibility of the Program Director to notify the Finance Director that budget funds need to be carried forward to the new fiscal year, and to confirm the amounts of such carry-forwards. This can be done during the City's normal annual budgeting process. Carry-forwards of grant funds will be subjected to maximum allowable amounts/percentages based on the grant award agreement and/or the Uniform Guidance compliance supplement.

Capital Asset - The City is responsible for maintaining an inventory of assets purchased with grant monies. The City is accountable for them and must make them physically available for inspection during any audit. The Finance Department must be notified immediately of any sale of these assets. Customarily, the proceeds of the sale can only be used on the grant program that purchased them. In most cases, specific governing regulations can be found in the original grant. The individual department overseeing the grant will coordinate this requirement. All transactions that involve the acquisition or disposal of grant funded fixed assets must be immediately brought to the attention of the Finance Director.

Record Keeping -

Audit Workpapers - The City's external auditors audit all grants at the end of each fiscal year. The department who obtained the grant will prepare the required audit workpapers. These will then need to be sent to the Finance Director within a reasonable time following year end.

Record Keeping Requirements - Grant record keeping requirements may vary substantially from one granting agency to another. Consequently, a clear understanding of these grant requirements at the beginning of the grant process is vital. The Program Director within a department applying for a grant will maintain copies of all grant draw requests, and approved grant agreements (including budgets). Records shall be retained for a minimum of 5 years from the date on which the final Financial Status Report is submitted, or as otherwise specified in the requirements of the federal award, unless a written extension is provided by the awarding agency, cognizant agency for audit or cognizant agency for indirect costs.

Uniform Guidance Compliance Supplement - General Information

Board Policies. The City Council has adopted various financial policies independent of those now required for federal awards under the Uniform Guidance. These policies may be incorporated into this document by reference. All of the established board policies also apply to federal grants where appropriate. These policies include:

- **Asset Capitalization Policy**
- **Investment Policy**
- **Fund Balance Policy**
- **Utility Funds Cash Reserve Policies**

Uniform Guidance Compliance Supplement - Activities Allowed/Unallowed and Allowable Costs/Cost Principles

The requirements for allowable costs/cost principles are contained in the Uniform Guidance, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, the City of Martinsville has implemented the following policies and procedures:

1. All grant expenditures will be in compliance with the Uniform Guidance, State law, City policy, and the provisions of the grant award agreement will also be considered in determining allowability. Grant funds will only be used for expenditures that are considered reasonable and necessary for the administration of the program and treatment will be consistent with the policies and procedures the City would apply to non-federally financed work.
2. Grant expenditures will be approved by the department head when the bill or invoice is received. The terms and conditions of the Federal Award will be considered when approving. The approval will be evidenced by the department head's initials on the original bill or invoice. Accounts payable disbursements will not be processed for payment until necessary approval has been obtained.
3. Payroll costs will be documented in accordance with the Uniform Guidance. Specifically, compensation for personal services will be handled as set out in §200.430 and compensation for fringe benefits will follow §200.431 of the Uniform Guidance. An indirect cost rate will only be charged to the grant to the extent that it was specifically approved through the grant budget agreement.
4. Part 200 examines the allowability of 55 specific cost items (commonly referred to as Selected Items of Cost) at 2 CFR 200.420-200.475. These cost items are listed in the chart below along with the citation where it is discussed whether the item is allowable. City personnel responsible for spending federal grant funds and for determining allowability must be familiar with the Part 200 selected items of cost section. The City must follow these rules when charging these specific expenditures to a federal grant. When applicable, staff must check costs against the selected items of cost requirements to ensure the cost is allowable.

The selected item of cost addressed in Part 200 includes the following (in alphabetical order):

Item of Cost	Citation of Allowability Rule
Advertising and public relations costs	2 CFR § 200.421
Advisory councils	2 CFR § 200.422
Alcoholic beverages	2 CFR § 200.423
Alumni/ae activities	2 CFR § 200.424
Audit services	2 CFR § 200.425
Bad debts	2 CFR § 200.426
Bonding costs	2 CFR § 200.427
Collection of improper payments	2 CFR § 200.428
Commencement and convocation costs	2 CFR § 200.429
Compensation – personal services	2 CFR § 200.430
Compensation – fringe benefits	2 CFR § 200.431
Conferences	2 CFR § 200.432
Contingency provisions	2 CFR § 200.433
Contributions and donations	2 CFR § 200.434
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	2 CFR § 200.435
Depreciation	2 CFR § 200.436
Employee health and welfare costs	2 CFR § 200.437
Entertainment costs	2 CFR § 200.438
Equipment and other capital expenditures	2 CFR § 200.439
Exchange rates	2 CFR § 200.440
Fines, penalties, damages and other settlements	2 CFR § 200.441
Fund raising and investment management costs	2 CFR § 200.442
Gains and losses on disposition of depreciable assets	2 CFR § 200.443
General costs of government	2 CFR § 200.444
Goods and services for personal use	2 CFR § 200.445
Idle facilities and idle capacity	2 CFR § 200.446
Insurance and indemnification	2 CFR § 200.447
Intellectual property	2 CFR § 200.448
Interest	2 CFR § 200.449
Lobbying	2 CFR § 200.450
Losses on other awards or contracts	2 CFR § 200.451
Maintenance and repair costs	2 CFR § 200.452
Materials and supplies costs, including costs of computing devices	2 CFR § 200.453
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454
Organization costs	2 CFR § 200.455
Participant support costs	2 CFR § 200.456
Plant and security costs	2 CFR § 200.457
Pre-award costs	2 CFR § 200.458

Professional services costs	2 CFR § 200.459
Proposal costs	2 CFR § 200.460
Publication and printing costs	2 CFR § 200.461
Rearrangement and reconversion costs	2 CFR § 200.462
Recruiting costs	2 CFR § 200.463
Relocation costs of employees	2 CFR § 200.464
Rental costs of real property and equipment	2 CFR § 200.465
Scholarships and student aid costs	2 CFR § 200.466
Selling and marketing costs	2 CFR § 200.467
Specialized service facilities	2 CFR § 200.468
Student activity costs	2 CFR § 200.469
Taxes (including Value Added Tax)	2 CFR § 200.470
Termination costs	2 CFR § 200.471
Training and education costs	2 CFR § 200.472
Transportation costs	2 CFR § 200.473
Travel costs	2 CFR § 200.474
Trustees	2 CFR § 200.475

Uniform Guidance Compliance Supplement - Cash Management

Source of Governing Requirements – The requirements for cash management are contained in the Uniform Guidance, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

Most of the City's grants are awarded on a reimbursement basis. As such, program costs will be expended and disbursed prior to requesting reimbursement from the grantor agency, unless the agreement allows reimbursement first, then payment to vendor. If Federal grant funds are received first, care will be taken in order to minimize the time elapsing between receipt of Federal funds and disbursement to contractors/employees/subrecipients according to §200.302 (6) of the Uniform Guidance. Expenditures will be compared with budgeted amounts for each Federal award.

Cash draws will be initiated by the Program Director who will determine the appropriate draw amount. Documentation of how this amount was determined will be retained. Payments and travel costs will be handled in a manner consistent with the City's existing Accounts Payable policies and in accordance with §200.305 (payments) and §200.474 (travel costs) of the Uniform Guidance. The physical draw of cash will be processed in the City's financial software, or through the means prescribed by the grant agreement for other awards. Supporting documentation or a copy of the cash draw paperwork will be filed along with the approved paperwork described above and retained for audit purposes.

Uniform Guidance Compliance Supplement - Eligibility

Source of Governing Requirements – The requirements for eligibility are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Additional Policies and Procedures. The following policies and procedures will also be applied: Federal grants will only benefit those individuals and/or groups of participants that are deemed to be eligible.

Initial eligibility determinations will be made by the Program Director based on the grant award contract. Sufficient documentation to support these determinations will be retained and made available to administration, auditors, and pass-through or grantor agencies, upon request. It is the department's responsibility to maintain complete, accurate, and organized records to support eligibility determinations.

Uniform Guidance Compliance Supplement - Equipment and Real Property Management

Source of Governing Requirements – The requirements for equipment are contained in the Uniform Guidance, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Additional Policies and Procedures. The following policies and procedures will also be applied:

In order to ensure compliance with these requirements, The City has implemented the following policies and procedures:

All equipment will be used in the program for which it was acquired or, when appropriate, in other Federal programs.

When required, purchases of equipment will be pre-approved by the grantor or pass-through agency. The Program Director will be responsible for ensuring that equipment purchases have been previously approved, if required, and will retain evidence of this approval.

Property/Equipment records will be maintained; a physical inventory shall be taken every two years, and an appropriate system shall be used to safeguard assets.

When assets with a current per unit fair market value of \$5,000 or more are no longer needed for a Federal program, a request for written guidance shall be made from the grantor agency as to what to do with the property/equipment prior to sale or relocation. The City shall abide with the requirements set out in §200.311 and §200.313 of the Uniform Guidance in this regard. If a sale will take place, proper procedures shall be used to provide for competition to the extent practical and result in the highest possible return.

Uniform Guidance Compliance Supplement - Matching, Level of Effort and Earmarking

Source of Governing Requirements – The requirements for matching are contained in the Uniform Guidance, program legislation, Federal awarding agency regulations, and the terms and conditions of the award. The requirements for level of effort and earmarking are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The City defines "matching", "level of effort", and "earmarking" consistent with the definitions of the Uniform Guidance Compliance Supplement:

Matching or cost sharing includes requirements to provide contributions (usually non-Federal) or a specified amount or percentage of match Federal awards. Matching may be in the form of allowable costs incurred or in-kind contributions (including third-party in-kind contributions).

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Level of effort includes requirements for (a) a specified level of service to be provided from period to period, (b) a specified level of expenditures from non-Federal or Federal sources for specified activities to be maintained from period to period, and (c) Federal funds to supplement and not supplant non-Federal funding of services.

Earmarking includes requirements that specify the minimum and/or maximum amount of percentage of the program's funding that must/may be used for specified activities, including funds provided to subrecipients. Earmarking may also be specified in relation to the types of participants covered.

In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

Compliance with matching, level of effort, and earmarking requirements will be the responsibility of Program Director.

Adequate documentation will be maintained to support compliance with matching, level of effort, and earmarking requirements. Such information will be made available to administration, auditors, and pass-through or grantor agencies, as requested.

Uniform Guidance Compliance Supplement - Period of Performance

Source of Governing Requirements – The requirements for period of performance of Federal funds are contained in the Uniform Guidance, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

Costs will be charged to an award only if the obligation was incurred during the funding period (unless pre-approved by the Federal awarding agency or pass-through grantor agency).

All obligations will be liquidated no later than 90 days after the end of the funding period (or as specified by program legislation).

Compliance with period of performance requirements will initially be assigned to the Program Director. All AP disbursements are subject to the review and approval of accounts payable staff and the Finance Director as part of the payment process.

Uniform Guidance Compliance Supplement - Procurement, Suspension and Debarment

Source of Governing Requirements – The requirements for procurement are contained in the Uniform Guidance, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The requirements for suspension and debarment are contained in OMB guidance in 2 CFR part 180, which implements Executive Orders 12549 and 12689, Debarment and Suspension; Federal agency regulations in 2 CFR implementing the OMB guidance; the Uniform Guidance; program legislation; Federal awarding agency regulations; and the terms and conditions of the award.

In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

Purchasing and procurement related to Federal grants will be subject to the general policies and procedures of the City, and to the provisions of the uniform guidance as detailed below. (See City procurement policy.)

Contract files will document the significant history of the procurement, including the rationale for the method of procurement, selection of the contract type, contractor selection or rejection, and the basis of contract price.

Procurement will provide for full and open competition.

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents can neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. If the financial interest is not substantial or the gift is an unsolicited item of nominal value, no further action will be taken. However, disciplinary actions will be applied for violations of such standards otherwise.

The City will avoid acquisition of unnecessary or duplicative items. Consideration will be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach. The City will also analyze other means, as described in §200.318 of the Uniform Guidance, in order to ensure appropriate and economic acquisitions.

The City of Martinsville is prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

"Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (i.e., grant or cooperative agreement) that are expected to equal or exceed \$20,000 or meet certain other specified criteria. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions.

The City will include a suspension/debarment clause in all written contracts in which the vendor/contractor will certify that it is not suspended or debarred. The contract will also contain language requiring the vendor/contractor to notify the Government immediately upon becoming suspended or debarred. This will serve as adequate documentation as long as the contract remains in effect.

The Program Director or designee will be responsible for running a year-to-date transaction report from the City's accounting system. Any vendor with accumulated transactions equaling or exceeding \$20,000 that is not subject to a written contract including a suspension/debarment clause or for which a signed statement or suspension or debarment is not on file will be subject to additional procedures. The Program Director or designee will check the Excluded Parties List System (EPLS), <https://www.sam.gov/portal/public/SAM/> maintained by the General Services Administration (GSA) for the vendor name. A potential match will be followed-up on immediately. Each vendor searched on EPLS will be initiated on the vendor transaction report and the report will be signed and dated on the first or last page. The vendor transaction report will be retained as evidence of the control.

If a vendor is found to be suspended or debarred, the City will immediately cease to do business with this vendor.

Executed contracts and signed quarterly vendor transaction history reports will be retained and filed by the Program Director.

When a request for purchase of equipment, supplies, or services for a federal program has been submitted the procurement method to be used will be determined based on the total cost of the purchase as further outlined below. This procedure outlines how the cost thresholds for determining when the quote or formal bidding procedures that are required by state law must be modified when making purchases for federally funded purposes to which the Uniform Grant Guidance regulations apply.

Micro-purchases not requiring quotes or bidding (up to \$10,000)

For purposes of this procedure, **micro-purchase** means a purchase of equipment, supplies, or services for use in federally funded programs using simplified acquisition procedures, the aggregate amount of which does not exceed a base amount of \$10,000. The micro-purchase dollar threshold is adjusted periodically by the federal government, and the threshold most recently published and published in the Federal Register shall apply if other than \$10,000.

The micro-purchase method is used in order to expedite the completion of its lowest dollar small purchase transactions and minimize the associated administrative burden and cost. Procurement by micro-purchase is the acquisition of equipment, supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold.

To the extent practicable, the City of Martinsville distributes micro-purchases equitably among qualified suppliers when the same or materially interchangeable products are identified and such suppliers offer effectively equivalent rates, prices and other terms.

Micro-purchases may be awarded without soliciting competitive quotations if the City considers the price to be reasonable. Evidence will be maintained of this reasonableness in the records of all micro-purchases. Reasonable means that sound business practices were followed and the purchase is comparable to market prices for the geographic area. Such determinations of reasonableness may include comparison of the price to previous purchases of the same item or comparison of the price of items similar to the item being purchased.

Even if the cost of a purchase qualifies it as a micro-purchase, bidding or small purchase procedures may be used optionally when those procedures may result in cost savings.

Small Purchase Procedures (Between \$10,000 and not to exceed \$250,000)

For purposes of this procedure, **small purchase procedures** are those relatively simple and informal procurement methods for securing equipment, services, or supplies that cost more than the amount qualifying as micro-purchase and do not exceed \$250,000. Small purchase procedures cannot be used for purchases of equipment or supplies for construction, repair or maintenance services costing in excess of \$250,000 because the City purchasing policy requires formal competitive bidding at that level of cost.

If small purchase procedures are used, written or telephonic price or rate quotations are obtained from at least three (3) qualified sources and records of quotes are maintained.

Publicly Solicited Sealed Competitive Bids (Purchase exceeds \$250,000)

For purchases of equipment or supplies, or of services for construction, maintenance or repairs of facilities, sealed competitive bids are publicly solicited and awarded to the lowest responsive and responsible bidder as provided in the City's procurement policy.

Competitive Proposals (Purchase exceeds \$250,000)

For purchases of qualifications based procurement of architectural/engineering professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. If this method is used, the following requirements apply:

Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;

Proposals must be solicited from an adequate number of qualified sources; and

Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

Federal Awards Administration (continued)

Noncompetitive Proposals (Sole Source)

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

The item is available only from a single source; or
The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; or

The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or

After solicitation of a number of sources, competition is determined inadequate.

The City must use the micro-purchase and small purchase methods only for procurements that meet the applicable criteria under 2 CFR sections 200.320(a) and (b). Under the micro-purchase method, the aggregate dollar amount does not exceed \$10,000. Small purchase procedures must be used for purchases that exceed the micro-purchase amount but do not exceed the simplified acquisition threshold of \$250,000. Micro-purchases may be awarded without soliciting competitive quotations if the City considers the price to be reasonable (2 CFR section 200.320(a)). If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources (2 CFR section 200.320(b)).

Uniform Guidance Compliance Supplement - Program Income

Source of Governing Requirements – The requirements for program income are found in the Uniform Guidance, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

Program income will include (but will not be limited to): income from fees for services performed, the use or rental of real or personal property acquired with grant funds, the sale of commodities or items fabricated under a grant agreement, and payments of principal and interest on loans made with grant funds. It will not include interest on grant funds, rebates, credits, discounts, refunds, etc., or interest earned on any of these items unless otherwise provided in the Federal awarding agency regulations or terms and conditions of the award. It will also not include proceeds from the sale of equipment or real property.

The City will allow program income to be used in one of three methods:

Deducted from outlays

Added to the project budget

Used to meet matching requirements

Absent specific guidance in the Federal awarding agency regulations or the terms and conditions of the award, program income shall be deducted from program outlays.

Program income, when applicable, will be accounted for as a revenue source in the same program code as the Federal grant.

Uniform Guidance Compliance Supplement - Reporting

Source of Governing Requirements – Reporting requirements are contained in the following documents:

Uniform Guidance, Performance reporting, 2 CFR section 215, Performance reporting, 2 CFR section 215.51, program legislation, ARRA (and the previously listed OMB documents and future additional OMB guidance documents that may be issued), the Transparency Act, implementing requirements in 2 CFR part 170 and the FAR, and previously listed OMB guidance documents, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

Reports will be submitted in the required frequency and within the required deadlines.

Reports will be completed using the standard forms (as applicable) and method of delivery (i.e., e-mail, grantor website, postal service, etc.).

Regardless of the method of report delivery, a copy of the submitted report will be retained along with any documentation necessary to support the data in the report. The report will evidence the date of submission in order to document compliance with timeliness requirements. This may be done either physically or electronically.

Federal Awards Administration (continued)

Financial reports will always be prepared based on the general ledger using the required basis of accounting (i.e., cash or accrual). In cases where financial data is tracked outside of the accounting system (such as in spreadsheets or paper ledgers), this information will be reconciled to the general ledger prior to report submission.

Any report with financial-related data will either be prepared or reviewed by the Program Director and will have the appropriate review based on specific grant guidelines.

Preparation of reports will be the responsibility of Program Director. All reports (whether financial, performance, or special) must be reviewed and approved (as applicable) prior to submission. This will be evidenced by either physical signatures or electronic timestamps of approval.

Copies of submitted reports with preparer and reviewer signatures and data will be filed with supporting documentation and any follow-up correspondence from the grantor or pass-through agency. Copies of all such reports will be made available to administration, auditors, and pass-through or grantor agencies, as requested.

Uniform Guidance Compliance Supplement - Subrecipient Monitoring

Source of Governing Requirements – The requirements for subrecipient monitoring are contained in 31 USC 7502(f)(2)(B) (Single Audit Act Amendments of 1996 (Pub. L. No. 104-156)), Uniform Guidance, program legislation, 2 CFR parts 25 and 170, and 48 CFR parts 4, 42, and 52 Federal awarding agency regulations, and the terms and conditions of the award.

The City will review and oversee subrecipient activity and obtain a copy of their single audit. Additionally the City will evaluate the subrecipient's risk of non-compliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate monitoring procedures as required by the Uniform Guidance Title 2 CFR 200.331. Other oversight processes and procedures will be established on a case by case basis, dependent on grant requirements and the level of activity of the subrecipient.

Uniform Guidance Compliance Supplement - Special Tests and Provisions

Source of Governing Requirements – The laws, regulations, and the provisions of contract or grant agreements pertaining to the program.

Additional Policies and Procedures. The following policies and procedures will also be applied:

In order to ensure compliance with these requirements, the City has implemented the following policies and procedures:

The Program Director will be assigned the responsibility for identifying compliance requirements for special tests and provisions, determining approved methods for compliance, and retaining any necessary documentation.

Federal Awards Administration (continued)

Uniform Guidance- Federal Program Travel Costs

The City shall reimburse administrative, professional, and support employees, and officials, for travel costs incurred in the course of performing services related to official business as a federal grant recipient.

For the purposes of this policy, **travel costs** shall mean the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business as a federal grant recipient.

Employees shall comply with the applicable City policies and administrative regulations established for reimbursement of travel and other expenses.

The validity of payments for travel costs for all employees shall be determined by the Program Director and Finance Director.

Travel costs shall be reimbursed on a mileage basis for travel using an employee's personal vehicle and on an actual cost basis for meals, lodging and other allowable expenses, consistent with those normally allowed in like circumstances in the City's nonfederally funded activities, and in accordance with the City's travel reimbursement policies and administrative regulations.

Mileage reimbursements shall be at the rate approved by Administration for other City travel reimbursements. Actual costs for meals, lodging and other allowable expenses shall be reimbursed only to the extent they are reasonable and do not exceed the per diem limits established by the City Manager.

If travel reimbursement costs are charged directly to a federal award, documentation must be maintained that justifies that (1) participation of the individual is necessary to the federal award, and (2) the costs are reasonable and consistent with the Locality's/Organization's established policy.

Policy effective date: _____.

Approved by City Council at their meeting on _____.

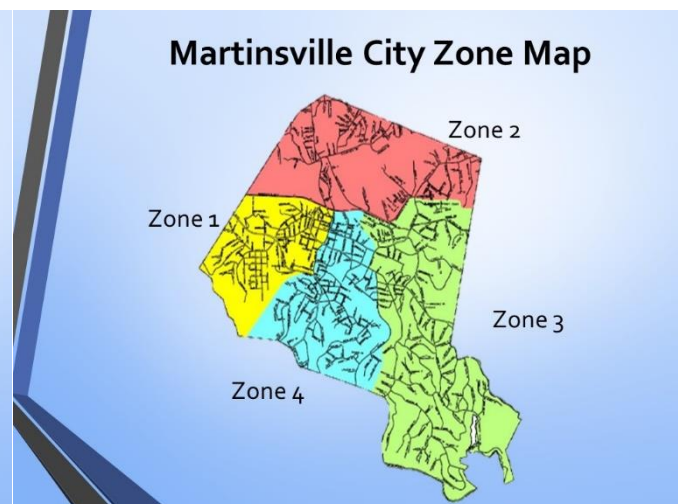
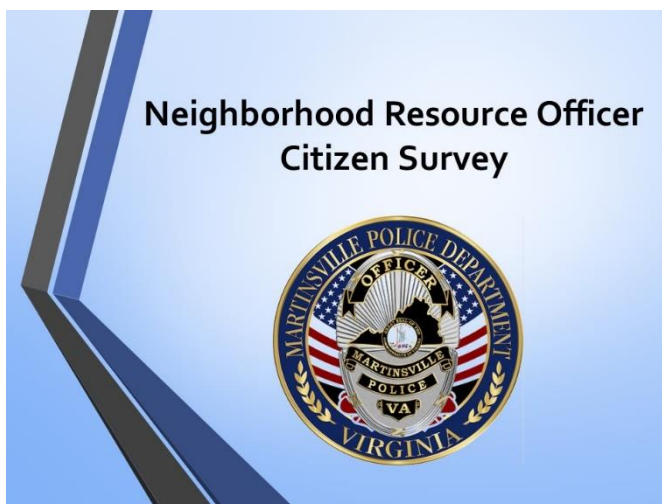
Consider authorizing the Commissioner of the Revenue to execute a contract to upgrade the real estate mass appraisal software to the most current version of the operating software offered by Vision Government Solutions, Inc. - Commissioner of

February 12, 2019 Council Meeting

Revenue Ruth Easley explained that she has the opportunity to update the software for her department at a discounted price and detailed the need for the more current version. Should the City pursue reversion, the City would be required to update the software at that time but would pay more for it if it's not purchased now. Council Member Bowles made the motion to authorize the execution of the contract. Vice Mayor Martin seconded the motion with all Council Members voting in favor.

Consider authorizing staff to execute an audit/financial services contract extension with Robinson, Farmer, Cox Associates. – Moved to the February 26 Council meeting.

Hear an update from the Police Department regarding a neighborhood citizen survey project completed by the neighborhood resource officers through the Community Policing Program in the fall of 2018. – Police Chief Cassady presented a PowerPoint detailing the survey. The Police Department holds an operations meeting and staff meetings bi-monthly where officers share concerns and survey results that needed immediate attention. The survey was designed to accept concerns related to City departments, not just the Police Department. Officers visited 2,674 residents in the City and 1,666 participated. Deputy Police Chief Fincher summarized statistical data for individual questions. Cassady explained that officers completing the surveys were paid through grant funding. Cassady thanked the residents for participating and the City Manager for assisting with the questions. Cassady said that citizens in the City have shown him that they will not tolerate drugs in their neighborhood and are willing to work with the Police Department to resolve those issues. Council Member Bowles thanked the Police Department for being proactive.



Survey Questions

1. Do you feel safe in your community/ neighborhood? If no, what are your concerns, issues during day, night, etc?
2. Is there anything the Police Department can do to assist you in your neighborhood?
3. What Programs would you like to see from the Police Department?
4. Is there anything that any of the other city services can assist you with in your neighborhood-Public Works, Electric, Water, Sewer, etc?
5. How have your previous experiences been with all city services, i.e. Police, Fire/EMS, Public Works, Electric Depart, Garbage, Utilities etc. (good/satisfied; poor/not satisfied) If poor is there something specific?
6. If you could pass along one suggestion to City Council, What would it be?
7. Do you have access to internet in your home(yes/no) and if yes, would you like to provide your email address for additional information from the city, emergency notifications, etc. (yes/no)
8. General Comments

NRO Survey Statistical Data

Officer visited 2,674 homes and businesses. Of those 1,666 participated in the surveys.

Question #1 - Do you feel safe in your neighborhood?

Zone	Yes	No	Total	% Positive
1	371	17	388	95.62
2	415	29	444	93.47
3	401	8	409	98.04
4	410	15	425	96.47
Total	1597	69	1666	95.86

NRO Survey Statistical Data

Question #5 - How have your previous experiences been with all City services, i.e. police, fire, EMS, Public Works, Electric Department, Garbage, Utilities etc. (ratings – good/ satisfied, poor/not satisfied)?

Zone	Good/Satisfied	Poor/Not Satisfied	Total	% Positive
1	381	7	388	98.19
2	437	7	444	98.42
3	404	5	409	98.77
4	419	6	425	98.59
Total	1641	25	1666	98.50

NRO Survey Statistical Data

Question #7 - Do you have internet access in your home? (Not all those being surveyed answered this question)

Zone	Yes	No	Total	% Yes	%No
1	169	130	299	56.52	43.48
2	246	142	388	63.40	36.60
3	277	72	349	79.37	20.63
4	163	83	246	66.26	33.74
Total	855	427	1282	66.69	33.31

Hear information from Fire/EMS regarding ambulance and emergency medical service coverage for the City. – City Manager Towarnicki detailed a memo that he sent to Council last week, touching specifically on some misunderstandings. When a third call comes in and both units are already tied up on a call, the third call is not refused but will be answered as soon as a unit is freed up. Once a unit responds to a patient in need, they cannot leave that original patient to take care of a second call. If two calls come in at the same time, they will respond to the most urgent call first. Fees related to ambulance services will be higher than expected and should help cover the cost of the expenses accrued during the trial period. Towarnicki explained that Fire/EMS are requesting to purchase an additional ambulance and if the decision were made to run a third crew, an additional ambulance would be needed. One option to cover the added costs would be real estate tax increase. It is awkward to consider this option at this time of year not knowing what the FY20 budget will look like and with the budget process in the beginning stages. Towarnicki recommended not resuming the program now unless Council intends to carry it into the next year beyond June 30. The appropriate time to do that would be during the budget process.

February 12, 2019 Council Meeting

Towarnicki said City residents should be allowed to share their preferences and opinions. Council Member Turner questioned if the Fire/EMS department was a stand-alone department, if it would be self-funding. Towarnicki said by running two units then yes, the cost of operating the EMS department would be a profitable operation. Council Member Turner made a motion to proceed as the City is currently and evaluate again during budget time. Towarnicki thanked Kris Schrader and Ted Anderson for their efforts and research.



DATE: February 8, 2019
TO: Honorable Mayor and Members of Council
FROM: Leon Towarnicki, City Manager
SUBJECT: Additional EMS Information

At the January 22, 2019 Council meeting, discussion continued regarding the City's emergency services ambulance coverage. As you know, this entire issue was prompted by the unexpected closure of Stone Ambulance last fall. Martinsville Fire/EMS is the primary provider of ambulance/emergency services in the City and up to the time of Stone's closure, Stone provided backup ambulance/EMS coverage, handling calls on an as-needed basis 24/7 when City units were unable to respond. The City generally staffs/operates two medical/EMS units 24/7 and on occasions when both units were engaged in responding to calls, Stone filled the gap when additional calls were dispatched.

Shortly after Stone's closure, the matter was brought to Council's attention at the October 9, 2018 Council meeting and Fire/EMS staff was authorized to run on a trial basis, a third City-staffed EMS unit for one 12-hour shift per day, to coincide with the 12-hour period of maximum call volume. The purpose of the trial period was to gather data on the impact of operating a third unit and ability to service calls the two regular/full time units were not able to handle. The trial period extended through the end of December, 2018, and as noted previously, a summary of the information was presented at the January 22nd Council meeting. At that meeting, a number of options were discussed including a "do nothing" approach whereby the City does not staff an additional EMS unit and additional calls are either handled by the County through the mutual aid agreement, or those calls remain in queue until a City unit can be dispatched. Other options discussed included staffing an additional EMS unit under a variety of part-time and/or full-time staff scenarios. Council requested staff to present at the February 12th meeting, budget numbers for the same option used during the trial period – utilizing part-time employees for one 12-hour shift per day, to coincide with the 12-hour period of maximum call volume. The following information is intended to facilitate additional discussion on this matter.

Background Information on Calls Received

As presented at the January 22nd meeting, while Stone Ambulance was in operation and the City was operating two EMS units, there were approximately 180 calls per year (and that number was increasing annually) that were turned over to Stone's due to both City units being unavailable. Statistically, approximately 2/3 of calls received are true emergencies meaning response time is critical. With no backup provider, those calls now are handled either by a County unit through mutual aid, or if a County unit is unable to respond in a timely manner, the calls simply remain in queue until a City unit becomes available. In either case, response time is delayed. Of the approximate 15 to 20 turnover calls per month, statistically approximately 10 to 13 of those calls are true emergencies. While the City operated a third ambulance during the trial period, approximately 6 calls per month were turned over (approximately 4 true emergencies).

Cost Options

Do Nothing Option – Based on mid-year budget projections, if the status quo remains (no third unit), it is anticipated the Fire/EMS FY19 budget may run over by approximately \$30,000. Much of this is attributed to costs associated with the 2 ½ month trial period for running the additional unit from October through December. Fortunately, collection of ambulance fees is running higher than anticipated and the increase is expected to more than cover the trial period costs, so no net budget impact is anticipated.

Operate Third Ambulance One 12-hour Shift Per Day, Part-Time Employees - Based on the anticipated hourly rate, number of employees, hours per day, etc. for the period from Feb 15 to June 30, additional part-time cost is estimated to be \$52,560. For budget purposes \$55,000 is suggested and an appropriation from fund balance will be needed to cover this cost. The estimated increase in operation and maintenance costs for running a third unit will be offset by an increase in collected ambulance fees. For FY20, the increase in part-time cost will be \$140,000 (2 employees x hourly rate x 12 hrs/day x 365). The current part-time budget is \$75,000, so that cost would increase to \$215,000 for FY20. Operation and maintenance costs for running a third ambulance unit will increase by approximately \$20,000 per year, but anticipated revenue from ambulance fees is expected to increase by approximately \$50,000/year. Net impact to the FY20 budget is estimated to be approximately \$110,000.

Operate Third Ambulance One 12-hour Shift Per Day, Full-Time Employees – Instead of utilizing 2 part-time employees, at a cost of \$140,000 for FY20, hire 3 full time employees at an estimated cost of \$165,000 year. There are significant advantages in going this route – staffing on each of the 3 shifts will increase by one employee, assuring minimum staffing

2

levels are maintained; there may be opportunities to run a third ambulance more than one 12-hour shift per day depending on department activity; there's much better personnel control by having full-time staff as opposed to relying on the part-time employee pool; working part-time employees extended hours may require provision of benefits at an additional cost. The net impact to the FY20 budget increases by \$25,000, to an estimated \$135,000. To begin in March, 2019 for the remainder of FY19, the net cost will be approximately the same as the part-time option, or \$55,000.

Capital Impact – Presently, EMS has three ambulance units and two run continuously, leaving the third unit as a backup. Although work on the FY20 budget is preliminary and obviously nothing has been finalized (nor have detailed discussions yet occurred), the initial capital request from Fire/EMS includes replacement of one ambulance unit (estimated at \$250,000). If a third ambulance unit is run on a regular basis, it is possible an additional unit may be necessary to provide adequate/reliable coverage. Any decision to move forward with operating a third ambulance should take into consideration the possible capital implications.

Funding – In the present (FY19) and anticipated upcoming (FY20) budgets, there is no capacity with current resources to add/expand a program with a net cost of \$110,000 to \$135,000. One possible option is to consider funding through a real estate tax adjustment which appears to be a fair and equitable distribution of costs. In the memorandum sent to Council from the Commissioner of the Revenue dated January 2, 2019 titled "2019 Reassessment Primer", it is noted that the overall reassessment value among taxable properties in the City is up 1.22%. If the current tax rate remains the same, e.g. is not equalized, the increase in assessed value will result in approximately \$82,000 in additional revenue, assuming 100% collection. Additionally, every penny of the City's real estate tax generates approximately \$55,000 in real estate tax revenue. Combining the two and netting a \$0.01 increase in the real estate tax rate from \$1.0621 to \$1.0721 is estimated to generate \$137,000 in additional real estate tax revenue, an amount sufficient to fund the expanded ambulance coverage.

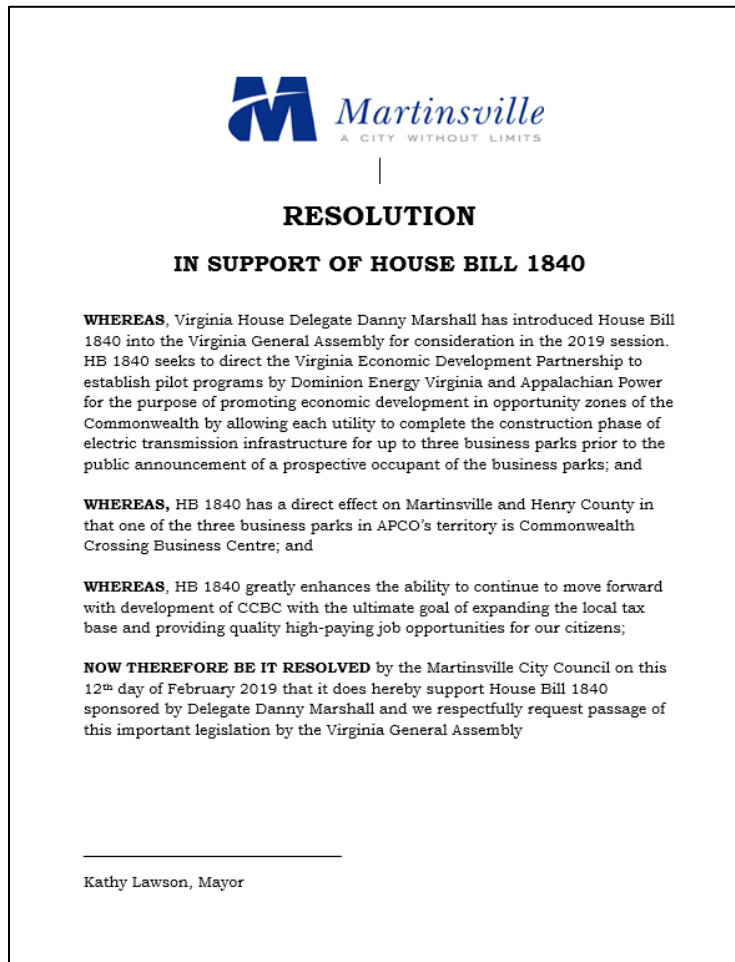
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Consider adoption of a resolution in support of House Bill 1840 – City Manager

Towarnicki explained the proposed House Bill 1840 that directs the Virginia Economic Development Partnership to establish pilot programs by Dominion Energy Virginia and

February 12, 2019 Council Meeting

Appalachian Power that could have a big impact on industrial sites. Henry County adopted the resolution at their meeting last week. Council Member Bowles made a motion to adopt the resolution. Council Member Turner seconded the motion with all Council Members voting in favor.



Hear a review of the City's 2nd quarter finance report – Finance Director Linda Conover summarized the finance report, stating that everything is on track for what was anticipated. Council Member Bowles made a motion to approve the Finance Report. Vice Mayor Martin seconded the motion with all Council Members voting in favor.

February 12, 2019 Council Meeting

City of Martinsville						
Consolidated Revenues and Expenditures						
FY19 - 12/31/18						
		<i>Budget</i>	<i>Anticipated</i>	<i>Actual</i> YTD	<i>Remaining</i> Balance	<i>Difference</i> Ant vs. Actual
General Fund						
Revenues	\$	29,439,561	\$ 13,774,316	\$ 14,592,126	\$ 14,847,435	105.9%
Expenditures		31,711,293	15,966,966	15,788,007	15,923,286	98.9%
Excess (deficiency) of revenues over expenditures	\$	(2,271,732)	\$ (2,192,650)	\$ (1,195,881)		
		(Fund Bal contrib)				
Capital Funds						
Meals Tax						
Revenues	\$	2,187,978	\$ 1,094,582	\$ 1,127,218	\$ 1,060,760	103.0%
Expenditures		2,287,978	1,680,901	1,680,901	607,077	100.0%
Excess (deficiency) of revenues over expenditures	\$	(100,000)	\$ (586,319)	\$ (553,683)		
		(Fund Bal contrib)				
Capital Reserve						
Revenues	\$	1,295,781	\$ 554,587	\$ 554,587	\$ 741,195	100.0%
Expenditures		1,949,053	1,628,104	1,628,104	320,949	100.0%
Excess (deficiency) of revenues over expenditures	\$	(653,272)	\$ (1,073,517)	\$ (1,073,518)		
TOTAL CAPITAL FUNDS:	\$	(753,272)	\$ (1,659,836)	\$ (1,627,201)		
		(Fund Bal contrib)				
Refuse Fund						
Revenues	\$	2,242,000	\$ 846,300	\$ 847,674	\$ 1,394,326	100.2%
Expenditures		3,005,700	1,758,002	1,714,547	1,291,153	97.5%
Excess (deficiency) of revenues over expenditures	\$	(763,700)	\$ (911,702)	\$ (866,873)		
MINet/Fiber Optic Fund						
Revenues	\$	1,931,728	\$ 794,770	\$ 916,383	\$ 1,015,345	115.3%
Expenditures		1,962,736	1,040,289	1,132,773	829,963	108.9%
Excess (deficiency) of revenues over expenditures	\$	(31,008)	\$ (245,519)	\$ (216,390)		
Water Fund						
Revenues	\$	3,670,523	\$ 1,799,495	\$ 1,820,927	\$ 1,849,596	101.2%
Expenditures		4,321,880	1,799,380	1,784,566	2,537,314	99.2%

February 12, 2019 Council Meeting

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Consolidated Revenues and Expenditures
FY19 - 12/31/18

		YTD 12/31/18		Actual		Remaining		Difference	
		Budget		YTD		Balance		Budg vs. Actual	
Cafeteria									
Revenues	\$	1,501,862	\$		\$	602,455	\$	899,407	40.1%
Expenditures		1,680,362				747,911		932,451	44.5%
Excess (deficiency) of revenues over expenditures	\$	(178,500)	\$		\$	(145,456)			
		(Fund Bal contrib)							
Schools									
Revenues	\$	22,969,497	\$		\$	10,056,955	\$	12,912,542	43.8%
Expenditures		23,167,225				10,705,798		12,461,427	46.2%
Excess (deficiency) of revenues over expenditures	\$	(197,728)	\$		\$	(648,843)			
Federal Programs									
Revenues	\$	-	\$		\$	672,376	\$	(672,376)	#DIV/0!
Expenditures		-				1,099,637		(1,099,637)	#DIV/0!
Excess (deficiency) of revenues over expenditures	\$	-	\$		\$	(427,261)			
TOTAL SCHOOL FUNDS:									
	\$	(376,228)	\$	-	\$	(1,221,560)			

	Budget	Anticipated	Actual YTD	Remaining Balance	Difference Ant vs. Actual
GRAND TOTALS:					
(excluding Schools & Special Revenues)					
Revenues:	\$ 66,800,862	32,000,794 \$	32,560,725 \$	34,240,137	101.7%
Expenditures	73,333,004	36,607,421	36,221,910	37,111,094	98.9%
Excess (deficiency) of revenues over expenditures	\$ (6,532,142)	(4,606,627) \$	(3,661,185)		
Local Sales/Use Taxes	\$ 2,000,000	\$ 771,000	\$ 803,642	\$ 1,196,358	104.2%
Meals Taxes	\$ 1,820,000	\$ 910,000	\$ 941,846	\$ 878,154	103.5%
The Budgeted Revenue amounts do not include any contributions from Fund Balance.					
1/30/19					

CITY OF MARTINSVILLE							
FY19 FUND BALANCE							
As of December 2018							
	Audited Fund Balance & Cash Equivalents 06/30/18	YTD Revenues	YTD Expense	Actual Depreciation	YTD Capital Expenditure	Projected Fund Balance & Cash Equivalents 06/30/19	Net (Decrease) Increase
GENERAL FUND	6,177,313	14,592,126	15,788,007			4,981,432	(1,195,881)
TELECOMMUNICATIONS	512,010	916,383	1,132,773			295,620	(216,390)
GENERAL FUNDS	6,689,323	15,508,509	16,920,780			5,277,052	(1,412,271)
MEALS TAX	483,381	1,127,218	1,680,901			(70,302)	(553,683)
CAPITAL RESERVE	681,863	554,587	1,628,104			(391,654)	(1,073,517)
TOTAL CAPITAL FUNDS	1,165,244	1,681,805	3,309,005			(461,956)	(1,627,200)
REFUSE	5,521,246	847,674	1,714,547		985,736	5,640,109	118,863
WATER	2,941,591	1,820,927	1,784,566		217,868	3,195,820	254,229
SEWER	1,907,096	2,606,392	2,930,888		1,120,947	2,703,547	796,451
ELECTRIC	569,637	10,095,419	9,562,123		511,090	1,614,023	1,044,386
TOTAL UTILITY FUNDS	10,939,570	15,370,412	15,992,124	0	2,835,641	13,153,499	2,213,929
*Cash & Cash Equivalent Reported for Utilities							
CAFETERIA	1,628,022	1,501,862	1,680,362			1,449,522	(178,500)
SCHOOLS	0	22,969,497	23,167,225			(197,728)	(197,728)
SCHOOL GRANTS	12,390	0	0			12,390	0
TOTAL SCHOOL FUNDS	1,640,412	24,471,359	24,847,587			1,264,184	(376,228)
CDBG	50,595	40,930	75,465			16,060	(34,535)
TOTAL SP REV FUNDS	50,595	40,930	75,465	0	0	16,060	(34,535)
TOTAL ALL FUNDS	20,485,144	57,073,015	61,144,961	0	2,835,641	19,248,839	(1,236,305)

Consider approval of consent agenda – Council Member Turner made a motion to approve the consent agenda as presented. Council Member Bowles seconded the motion with all Council Members voting in favor.

BUDGET ADDITIONS FOR 2/12/19				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
BUDGET ADDITIONS				
General Fund:				
01100908	480401	Miscellaneous - Donations/Police		1,040
01311085	506070	Police Department - Pound Supplies	1,040	
		Donations for Dog Pound Expenses		
01101917	442810	Categorical Other State - Highway Projects		236,401
01420152	508220	VDOT Reserve - Physical Plant Expansion	236,401	
		Reimbursement for Highway Projects		
01101917	442401	Categorical Other State - Confiscated Assets		898
01311085	506078	Police Department - State Asset Forfeitures	898	
		Forfeiture Funds		
01101918	436418	State Grant - Triad/S.A.L.T. Grant		2,221
01217078	506132	Sheriff - Courts - Triad/S.A.L.T. Grant Supplies	2,221	
		Grant funding		
01102925	436142	Non-categorical Federal - US Marshalls OT Grant		1,280
01311085	501200	Police Dept - Overtime	1,280	
		Grant funding		
Total General Fund:			241,840	241,840
School Fund:				
18103919	489904	DON/CONTRIB/GIFTS		36,352
71001210	563000	Purchased Services	25,740	
71001210	565503	Travel	4,162	
71001210	566000	Materials & Supplies	3,075	
71001210	565800	Miscellaneous	2,575	
71001210	566056	Non Cap Equipment	800	
		Virginia Foundation for Healthy Youth		
18103919	489904	DON/CONTRIB/GIFTS		20,000
11001100	564000	Internal Services	2,000	
41001100	564000	Internal Services	2,000	
61001100	564000	Internal Services	8,000	
71001100	564000	Internal Services	8,000	
		ARCONIC/Robotics		
Total School Fund:			56,352	56,352

Business from the Floor – Alexis Lee of Sellers Street stated that she has a greater appreciation of the City by having the opportunity to give input through public hearings. The City does a great job of encouraging citizens to voice their opinions. She hopes residents will attend the public hearing related to the Pine Hall grant on February 26. Wayne Knox of the Community Development department explained that the department will be out this weekend doing door-to-door surveys and there will be additional meetings where residents will be encouraged to complete applications for grant award approval. Dennis Reeves of 106 Courtney Terrace explained that in the past month, he has foreclosed property at 615 Mulberry Road. As he went through that process, he found that the owner of the home had not paid City taxes, interest or penalties in four years, owing close to \$5,000. He knows the City has procedures for collecting Utility costs and feels there should be more steps done to collect overdue taxes as well. Reeves explained that the City would not provide the courtesy of leaving the utilities on and automatically transferring the service to his ownership but instructed him to call on a daily basis for the update before he could request the service transfer. He requests the City look into these procedures.

February 12, 2019 Council Meeting

Comments by Members of City Council – Council Member Bowles ask City Manager Towarnicki about the iPad usage in the City Refuse trucks. Towarnicki said he would be happy to look into that and update Council. Bowles asked residents to be aware of visitors to their homes. There is an individual on Facebook claiming to be a City employee who is trying to gain entry in resident homes. City Attorney Monday advised that the City would never contact residents through Facebook swap pages. Bowles thanked Council Members for sending her flowers and condolences after her grandmother passed away. Council Member Woods offered his condolences for the loss of Bowles grandmother. Woods had a wonderful time at the Daddy-Daughter Date Night at Piedmont Arts last week and thanked Chick-Fil-A for sponsoring. Council Member Turner shared that the Martinsville Bulldogs lost the regional tournament to GW Danville. Vice Mayor Martin thanked the Police Department and said it's good to see the officers out meeting the public. Mayor Lawson shared that April 6 is Hazardous Waste Day. Lawson mention the electrical outage two weeks ago and stated that a resident has expressed concern that the City's emergency number was out of service. Towarnicki explained when the system is overloaded with calls, residents may get a message but advises that employees are taking calls as fast as they can. Lawson offered her condolences to Bowles on the passing of her grandmother and to retired Police Chief Mike Rogers in the passing of his father.

Comments by City Manager – Towarnicki said City offices will be closed Monday for Presidents Day. Mayor Lawson asked Uptown merchants to not put their trash out Monday since there is no pickup that day. Bowles asked merchants to not put their trash out over the weekend. Bowles asked that this concern be brought to the monthly Chamber meeting so that local businesses are reminded of the policy.

There being no further business, Council Member Bowles made a motion to adjourn the meeting; the motion was seconded by Vice Mayor Martin with all Council Members voting in favor. The meeting adjourned at 9:15pm.

Karen Roberts
Clerk of Council

Kathy Lawson
Mayor